



Transmission Business Line (TBL)

Customer Comments and BPAT Responses for

Partial Long-Term Firm Service Business Practice

Posted August 25, 2003

This document contains the customer comments for the Partial Long-Term Firm Service Business Practice, posted for comment from August 7, 2003 through August 20, 2003

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Northwest Independent Power Producers Coalition

The following comments were received from the Northwest Independent Power Producers Coalition. BPAT responses are in italics.

To: Robert Lahmann, Acting Transmission Sales Manager
Transmission Marketing & Sales
Bonneville Transmission Business Line
businesspractices@bpa.gov

From: Robert Kahn, Executive Director
Northwest Independent Power Producers Coalition
Re: Partial Long-Term Firm Service
Date: August 20, 2003

The Northwest Independent Power Producers Coalition (NIPPC) is pleased to submit the following comments on the proposed new business practice: "Partial Long-Term Firm Service." The description of the new service is clear and unambiguous. It addresses the needs that NIPPC and its members have identified in contacts with TBL personnel. We very much appreciate the effort that you, Mike Raschio, John Anasis, Brian Silverstein and others have undertaken in preparing this offering. It demonstrates that BPA TBL is listening to and responding to the needs of its customers.

NIPPC offers the following suggestions to improve the offering. For TBL customers who (i) have submitted a long-term firm transmission request, (ii) have an established position in the BPAT queue, and (iii) have previously paid BPAT for a System Impact Study(ies) for such long-term firm transmission request(s), no additional System Impact Studies shall be required for such customer to remain in the queue under conditions C.2.a, C.2.c, E.6.a, or E.6.c.

BPAT Response: This recommendation is consistent with BPAT's intent. Additional language has been inserted in sections C.3. and E.7. to clarify that when an SIS has been paid for and received, a customer must then continue with the next steps in the process as specified in the Tariff (Environmental Impact Statement, System Facilities Study, and Transmission Construction Agreement) to stay in the queue.

In addition, we recommend that reservation fees pursuant to Section F shall only be payable upon execution of a transmission partial service agreement by TBL and the customer.

BPAT Response: This recommendation is consistent with BPAT's intent and a clarification has been made to section F of the business practice to reflect that.

The viability of the service offering in practical terms will, of course, hinge on BPA's definition of ATC. NIPPC is steadfast in its support of the TBL's efforts to catalog actual use and contractual obligations on its system. Successful completion of this effort will have a profound impact on the region's ability to respond to demand as it grows in a recovering economy. The new service offering is significant in its own right. "Partial Firm" will remove a significant barrier that independent producers face in developing much-needed power projects. While NIPPC recognizes the genuine need for further investment in transmission infrastructure, the "Partial Long-Term Firm Service" product is a major step in creatively addressing the problems transmission constraints has over the region's ability to meet load requirements.

Powerex

The following comments were received from Powerex. BPAT responses are in italics.

Powerex has a few comments on this draft business practice. I apologize for not submitting them by August 20, 2003 as requested.

If a customer stays in the queue (see choices #1 and #3 above), it will be required to sign and pay for a System Impact Study. It would be helpful to know how TBL will conduct these studies, given its

recent decision to only run Power Flow studies seasonally and evaluate availability of ATC using Path Utilization Factors for incremental use.

Perhaps a business practice could be drafted and then referenced in section G. of this business practice.

BPAT Response: This recommendation will be taken under consideration. If a business practice regarding the process for System Impact Studies is developed, this business practice will be modified to reference it.

Section F. requires a reservation fee be paid, if the commencement of service is further than one year out. In this case the commencement of service is because TBL does not have capacity, consequently it does not seem fair that reservation fee be paid if no capacity is available.

BPAT Response: BPAT's rate schedule (GRSP, Section II.E) specifies that a reservation fee will be charged for PTP transmission service that is deferred. "Deferred" service is "any advance reservation of Long-Term Firm Point-to-Point Transmission Service with a Service Commencement Date greater than one (1) year from the request date". BPAT will maintain this practice.

Moreover it appears that a SIS may be required. It is certainly questionable the SISs can be completed within 12 months, therefore one wonders why a customer should be required to pay for something that doesn't produce any usable results?

BPAT Response: The intent of the business practice is to require an SIS "if the SIS can be offered on a viable timeline". This intent of this statement was to address the kind of issue outlined above regarding whether an SIS can be completed within the pertinent timeframe.

Thanks, Gordon

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